

What is Home Performance with ENERGY STAR?

National program background and considerations for prospective home performance contractors

Home Performance with ENERGY STAR Background

- Home Performance with ENERGY STAR (HPwES) is a national program from the U.S. EPA and U.S. DOE, which offers a comprehensive, whole-house approach to improving energy efficiency and comfort at home, while helping to protect the environment.
- Contractors participating in HPwES are dedicated to improving home comfort, health, safety and energy performance.
- Specially-trained contractors evaluate a home or "test-in" using advanced diagnostic equipment and recommend comprehensive improvements that will yield the best results. Common recommendations include insulation and air sealing, duct sealing, HVAC improvements and appliances and lighting upgrades.
- The contractor will evaluate the home again and complete a "test-out" inspection after improvements have been made to verify combustion safety.
- Since 2002, HPwES programs have been locally sponsored by utilities, State Energy Offices, or non-profits across the U.S. (See program activity map at the back of this booklet). These sponsors ensure that participating, specially-trained contractors maintain high standards for quality by conducting 3rd party quality assurance inspections.

Purpose of the Northern Virginia Contractor Pilot:

- Test **3 key goals** for improving and streamlining the program:
 - The feasibility of a **direct ENERGY STAR partnership** with contractors without the infrastructure and oversight provided by a local sponsor
 - The feasibility of having an **independent quality assurance provider**
 - The performance goal of **reducing home energy consumption by at least 20%**

Home Performance with ENERGY STAR emphasizes the home improvement process not the product.



More Information

www.energystar.gov

Contacts

Dale Hoffmeyer, EPA, hoffmeyer.dale@epa.gov

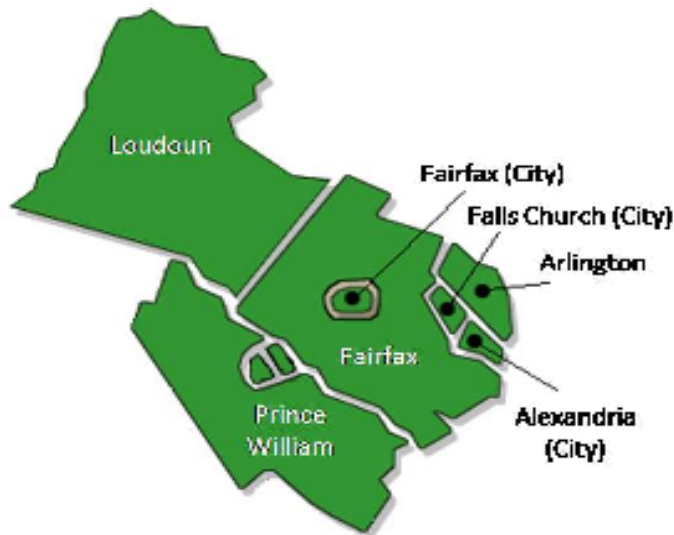
Lew Pratsch, DOE, Lew.Pratsch@ee.doe.gov

Why Northern Virginia for the Contractor Partnership Pilot?

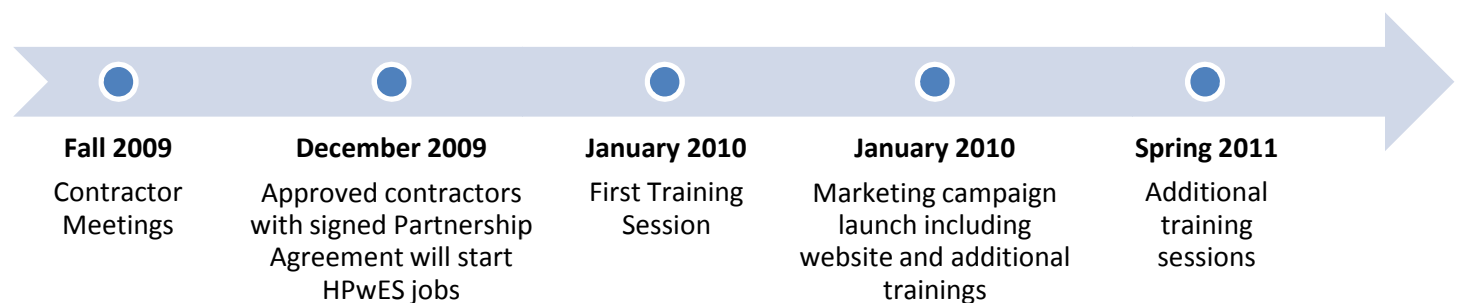
Northern Virginia market shows strong potential for success:

- High energy savings potential due to old housing stock
- Ability to pay due to high average income and statewide incentives
- Homeowner interest due to progressive populace in terms of energy conservation activities

Geographic Region Covered by the Contractor Partnership Pilot



Northern Virginia's average household income is approximately twice that the national average income, according to the 2008 American Community Survey (U.S. Census).¹



¹Median Household Income Data (Falls Church data not available), National = \$52,175, Northern Virginia average = \$101,080, Arlington County = \$96,390, Fairfax County = \$106,785, Loudoun County = \$110,643, Prince William County = \$88,675, Alexandria City \$85,135

Source: U.S. Census Data 2008 <http://factfinder.census.gov/>

Home Performance with ENERGY STAR

Contractor Partnership Pilot: What's in it for You?

Participating contractors will have marketing materials, training and mentoring opportunities and business development support.

Marketing

- Widely-recognized ENERGY STAR brand
- Company listing on Home Performance with ENERGY STAR Contractor Pilot website
- Local advertising campaign - launching early 2010
- Access to marketing toolkit on password protected ENERGY STAR website

Training and Mentoring

- Access to classroom and field BPI training and mentoring support
- 50% reimbursement of training costs after completion of 10 HPwES jobs within 6 months
- Free sales and marketing training workshops
- 50% reimbursement of BPI accreditation costs based on successful job reporting
- Access to new developments, i.e. new training and certification levels

Business Development

- Access to resources such as standardized forms, templates, "the pitch book" and lead forms
- Personalized business development services as part of BPI verification including home performance contractor best practices
- Development of internal quality management system
- Access to various opportunities like a Business Owner's Forum

Strategic Positioning

- Homeowner access to residential energy efficiency tax credit incentives and state rebates
- Alignment with audit and improvements required for the Virginia energy efficiency cash rebate (See back of this sheet for details)
- Increasing national attention on residential energy efficiency (See back of this sheet)

Home Performance Contracting is a **GROWING** industry on a national scale...

Energy efficiency is a cost-effective way to reduce energy costs and conserve energy. Rising energy costs and tight homeowner budgets are helping to bring to light the opportunity home performance offers.

Current and future federal and state programs aim to accelerate growth of the residential retrofit business:

American Recovery and Reinvestment Act Funding

- Energy Efficiency and Conservation Block Grant Program funding includes: \$390 Million "Retrofit Ramp-Up" program and \$64 Million for cities/counties
- State Energy Program funding for Virginia includes \$7 million for energy efficiency rebates

"Recovery through Retrofit" Initiative

- Introduced by the Vice President and the White House the Council on Environmental Quality to build upon the Recovery Act to expand the home energy efficiency and retrofit market

Proposed Climate Change Legislation

- The American Clean Energy and Security Act (ACES) of 2009 directs EPA, DOE and State Energy Offices to expand energy retrofits through the "Retrofit for Energy and Environmental Performance" (REEP) program. If passed, the REEP program would place home energy performance under national spotlight.

Environmental Policy Act of 2005 (EPAct) Existing Homes Energy Efficiency Tax Credit

- The **Existing Homes Energy Efficiency Tax Credit (2009- 2010)** has been increased from the previous tax credit. The current tax credit covers 30% of expenditures for selected energy efficient products, up to a maximum of \$1,500¹.

Virginia Department of Mines, Minerals and Energy has homeowner incentives in place.

- The **Virginia Residential Energy Efficiency Rebate Program** will reimburse owners for a portion of the costs to make qualifying energy efficiency improvements to existing Virginia residential homes.² \$7 million is available for both residential and commercial properties.
- Total **rebate per household available** is **\$2,250** for a residential property if an eligible energy audit is conducted (\$250 for audit and \$2,000 for equipment and labor).

Eligible Equipment	Minimum Efficiency Required for Rebate
Central Air Conditioners	Split Systems: SEER >= 16, EER >=13 Package systems: SEER >= 14, EER >= 12
Air source Heat Pump	Split Systems: HSPF >= 8.5, EER >= 12.5, SEER >= 15 Package systems: HSPF >= 8, EER >= 12, SEER >= 14
Furnace	NG or Propane: AFUE >= 95 Oil: AFUE >= 90
Natural Gas, Propane, or Oil Hot water boiler	AFUE >= 90
Natural Gas, Propane, or Oil Tankless Water Heater	Energy Factor >= 0.82 or a thermal efficiency of at least 90%.
High Efficiency Gas storage Water Heater	ENERGY STAR label (Energy Factor >= .62)
Electric Heat Pump Water Heater	ENERGY STAR label (Energy Factor >= 2)
Geothermal Heat Pump	ENERGY STAR label (Closed Loop: EER >= 14.1, COP >= 3.3; Open Loop: EER >= 16.2, COP >= 3.6; Direct Expansion: EER >= 15, COP >= 3.5)
Insulation and Air Sealing	has Manufacturer Certification Statement; Insulation must meet 2009 IECC & Amendments
Replacement Windows and doors	U factor <= 0.30; SHGC <= 0.30
Storm windows and doors	must have a U-factor and SHGC of 0.30 or below and meet the IECC (in combination with the exterior window over which it is installed)
Programmable thermostat	ENERGY STAR label

¹Source: http://www.energystar.gov/index.cfm?c=tax_credits.tx_index

²Source: <http://www.dmme.virginia.gov/DE/ARRA-Public/EEMeasuresRequirements.shtml>

Home Performance with ENERGY STAR

Contractor Partnership Pilot: Guide for Northern Virginia Contractors

Important Information about Becoming a Participating Pilot Contractor:

Who is Eligible? Contractors that meet the criteria below are eligible to participate. The Building Performance Institute, Inc. (BPI) has been selected to approve contractors that meet Pilot eligibility criteria. BPI is a nationally recognized leader supporting the development of a highly professional building performance industry through individual and organizational credentialing and a rigorous quality assurance program.

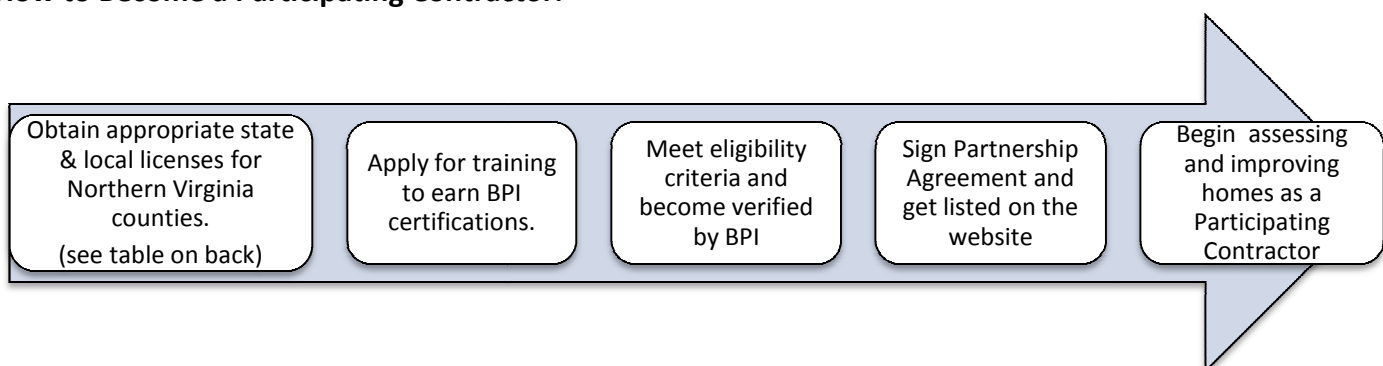
BPI will verify that contractors meet the following eligibility criteria:

- ❑ Registrations, licensing and/or bonding required by state or local government
- ❑ General liability insurance (minimum of \$1 million), professional liability and workers compensation insurance
- ❑ Commitment and ability to perform comprehensive home energy assessments by certified individuals
- ❑ Commitment and ability to correctly install energy efficiency improvements
- ❑ Dedication to a customer conflict resolution process
- ❑ Commitment and ability to use quality management systems to record and track home performance jobs

Contractor Partnership Commitments:

Home Performance Assessment <ul style="list-style-type: none"> • Provide homeowner with a Home Performance Assessment (HPA) summary report that includes the assessment findings and fuel-neutral recommended improvements that will save at least 20% on total energy use. 	Home Improvements <ul style="list-style-type: none"> • Ensure that all home improvements meet applicable state or local building codes and consensus based building science standards. 	Job Quantity <ul style="list-style-type: none"> • Complete at least 20 HPAs and test-out inspections per year according to HPwES guidelines (energy efficiency improvements must be completed).
Reporting <ul style="list-style-type: none"> • Report information about all completed projects to EPA and DOE through the third-party quality assurance provider, BPI. 	Whole-House Marketing <ul style="list-style-type: none"> • Use HPwES Marketing Graphic to promote a comprehensive whole-house process for improving energy efficiency of homes to prevent pollution, protect the environment, and save money on energy bills. 	Marketing <ul style="list-style-type: none"> • Follow the HPwES Marketing Graphic Guidelines and ensure that authorized representatives, such as advertising agencies, follow them (Guidelines available at www.energystar.gov/marks).

How to Become a Participating Contractor:



Additional Details: Contractor Requirements in Northern Virginia

All participating counties require a Virginia State Contractor's License (Class A, B, or C depending on annual revenue). To obtain a license you must specify a full-time employee from your company to be a "qualified individual" for each trade you want to have on your license. Trades include Building, Electrical, Plumbing, HVAC, and other Specialty Trades.

VA State Contractor's License Requirements

Class A	<ul style="list-style-type: none"> •Single contracts of \$120,000+ or contracts totaling \$750,000+/yr •"Qualified Individual" must have 5 yrs experience and pass an exam.
Class B	<ul style="list-style-type: none"> •Single contracts of \$7,500 - \$120,000 or contracts totaling \$150,000 - \$750,000 per year •"Qualified Individual" must have 3 yrs experience and pass an exam.
Class C	<ul style="list-style-type: none"> •Single contracts of \$1,000 - \$7,500 or contracts totaling less than \$150,000 per year •"Qualified Individual" must have 2 yrs experience.

Specific requirements for each participating county:

	Alexandria	Arlington	Fairfax	Falls Church	Loudoun	Prince William
County Business License	✓	✓	✓ *	✓ **	✓	✓
County Home Improvement License	✓		✓ (Class C)	✓ (Class B & C)		✓ (Class C)
Bond (with county as holder)	✓ \$5,000	✓		✓ *** (Class B & C)		✓ \$10,000 (Class C)
Special Requirements						HVAC, Plumbing, Electrical, and Gas Fitting categories require <i>Master</i> certification

✓ = required in specified county for all classes of contractors unless otherwise specified.

* Business license is necessary in Fairfax if contractor completes over \$10,000 of work in a year (in county contractors) or \$25,000 (out of county contractors).

** Business license is necessary in Falls Church for each job over \$25,000 (in-state contractors) and \$10,000 (out-of-state contractors).

*** Falls Church requires \$5,000 for a Home Improvement Contractor's Bond and \$1,000 for Trade Contractor's Bonds;

Sources: Respective county websites

Northern Virginia Pilot: Training Information

Refer here for information regarding training for Pilot contractors.

The Pilot will offer the following training and support:

- ✓ Certification courses and additional Pilot-related training
- ✓ Mentoring
- ✓ Job review



Early 2010 Training:

- BPI Building Analyst (classroom & field sessions) – learn how to do a comprehensive energy audit
- BPI Building Specialty Certifications (classroom & field sessions)
- Sales and Marketing (free)

Mentoring Will Focus On:

- Delivering a comprehensive audit to BPI standards
- Industry best practices (including how to most effectively use the report for the homeowner to close the sale)
- Energy-efficiency home improvement installation best practices
- Sales and marketing best practices from programs around the country
- Equipment and home energy assessment “tool” selection and use (software, spreadsheets or other means of estimating energy savings)
- One or two mentoring sessions might be necessary before contractors take the BPI certification exams. Several mentoring sessions are typically necessary after certification to ensure trade contractors are adequately prepared for actual field work—both diagnostics and installation.

**Who is eligible
for training in
the Pilot?**

**How do I
apply?**

- ❖ Contractors’ desire to receive training will be screened based on commitments to home performance work and business model capabilities
- ❖ Eligibility for contractor training coincides with all Pilot participation requirements
- ❖ Multiple technicians from individual companies are eligible for training
- ❖ **Fill out an information form available today**
- ❖ **Look for additional emails in December on training class details**

Training Timeline

November 2009
Contractor
Informational Session

December 2009
Contractor Training
Sign-Ups /
Applications

January 2010
Initial training
classes

Training Rebate Available:
50% reimbursement on
both training and exam
costs with completion of 10
HPwES jobs in 6 months.